

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of:

Bijan **TADAYON**, *et al.*

Application Serial Number 10/777,044

Filed: February 13, 2004

For: **METHOD AND APPARATUS FOR
DYNAMICALLY ASSIGNING
USAGE RIGHTS TO DIGITAL
WORKS**

Confirmation Number: 3920

Group Art Unit: 3621

Examiner: Jamie R. KUCAB

Date: October 28, 2008

PRE-APPEAL BRIEF REQUEST FOR REVIEW

U.S. Patent and Trademark Office
Mail Stop AF
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

Applicants respectfully request formal review of the Final Office Action mailed August 13, 2008. Applicants are filing this Pre-Appeal Brief Request for Review together with a Notice of Appeal and the appropriate fee.

In the Final Office Action, the Examiner maintained a clearly improper rejection of claims 1-17 under 35 U.S.C. § 101 as directed to non-statutory subject matter. Additionally, the Examiner maintained a clearly improper rejection of at least independent claims 1, 18, and 27 under 35 U.S.C. § 102(b) as anticipated by U.S. Patent 5,638,443 to Stefik et al.

In the Final Office Action, the Examiner rejected claims 1-17 under 35 U.S.C. § 101 as being directed to non-statutory subject matter even though these claims recite a method of dynamically assigning usage rights to digital content that produces a useful, concrete, and tangible result using a system with at least one repository. *See State Street Bank & Trust Co. v. Signature Financial Group Inc.*, 149 F. 3d 1368, 1373-74 (Fed. Cir. 1998). Applicants invented a method, system, and computer program product for dynamically assigning usage rights to digital content that changes the state of computer readable data stored on a recording medium by specifying a usage right enforceable by a repository. *See In re Comiskey*, 499 F.3d 1365 (Fed. Cir. 2007).

Claim 1 of the present application recites a method of dynamically assigning usage rights to digital content for use in a system having at least one repository. The method comprises specifying a usage right, determining a status of a dynamic condition, and

dynamically assigning the usage right to the digital content based on the status of the dynamic condition. Claim 1 further recites that the usage right comprises computer readable data stored on a recording medium, the data of the usage right specifying an authorized use of digital content and being enforceable by a repository. In claim 1, usage rights are assigned to digital content, that is, to real world digital works of value, such as correspondence, books, magazines, journals, newspapers, audio and video clips, and a myriad of other tangible objects. Further, claim 1 recites specifying a usage right that includes computer readable data stored on a recording medium. The recording medium is certainly tangible, useful, and concrete, and it is altered by the specified usage right.

Contrary to the Examiner's assertion in the first ¶ on page 3 of the Final Office Action, the method recited in claim 1 employs a computer readable medium. In fact, claim 1 explicitly recites that the usage right specified includes computer readable data stored on a recording medium. The data that are specified transform the recording medium by way of the specified usage right.

Section 101 of title 35 of the United States Code provides "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." The Supreme Court has recognized that Congress chose expansive language for section 101 to include "anything under the sun that is made by man" as statutory subject matter. M.P.E.P. § 2106 *citing Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 U.S.P.Q. 193, 197 (1980). The Federal Circuit further recognizes that the "use of the expansive term 'any' ... represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in section 101." *In re Alappat*, 33 F.3d 1526, 1542, 31 U.S.P.Q.2d 1545, 1556 (Fed. Cir. 1994) (emphasis added). In *Alappat*, the Federal Circuit recognized "three categories of subject matter for which one may not obtain patent protection, namely 'laws of nature, natural phenomena, and abstract ideas.'" *See Alappat*, at 1542, *quoting Diamond v. Diehr*, 450 U.S. 175, 185, n18, 209 U.S.P.Q. 1, 7 (1981) (emphasis added). Notwithstanding the exceptions of *Diehr*, "any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent." M.P.E.P. § 2106.

The Court of Appeals for the Federal Circuit (CAFC) helped clarify statutory subject matter requirements regarding processes, methods, and abstract ideas in *State Street*. *State Street* helped to distinguish business methods from mere abstract ideas and involved "a data

processing system for managing a financial services configuration of a portfolio established as a partnership,” and “[g]iven the complexity of the calculations, a computer or equivalent device [wa]s a virtual necessity to perform the task.” *See State Street*, 149 F. 3d at 1371. The computer or equivalent device took the method from the realm of a mere abstract idea and made it useful, concrete, and tangible. In the present application, there is no need to infer that a computer or equivalent device performs the method of claim 1, because claim 1 explicitly recites digital content, a system having at least one repository, and computer readable data stored on a recording medium.

While § 101 and *State Street* indicate that any “process” is patentable subject matter, the CAFC appeared to require that a process is only patentable if it involves one of the other three categories of patentable subject matter (i.e., machine, manufacture, or composition of matter). *See In re Comiskey*, 499 F.3d 1365, 1376-77 (Fed. Cir. 2007). Claim 1 of the present application recites a method tied to an apparatus (the system having at least one repository) that transforms underlying subject matter (specifying the usage right transforms the computer readable data stored on the recording medium). Not only does claim 1 invoke a machine (e.g., a system having at least one repository), it also performs a transformation upon the recording medium by specifying a usage right. As such, claim 1 meets the requirements for patentability under 35 U.S.C. § 101 as outlined in recent CAFC decisions. *See In re Comiskey*, 499 F.3d 1365, 1376-77 (Fed. Cir. 2007). Further, the usage right includes data specifying an authorized use that can be enforced by a repository. The method recited in claim 1 results in digital content that can only be used in an authorized manner. However, the manner can be determined dynamically by assigning the rights to content based on dynamic conditions. This clearly is a tangible and useful result. The practical need for controlling use of digital content is set forth in the Background portion of the specification.

Recently, the CAFC reiterated the need for subject matter to fall within one of the categories of statutory subject matter, including a process, machine, manufacture, or composition of matter. *See In re Nuijten*, 500 F.3d 1346, 1358 (Fed. Cir. 2007). Claim 1 recites a method of dynamically assigning usage rights to digital content that is a process using a series of acts or steps, including specifying a usage right, determining a status of a dynamic condition, and dynamically assigning the usage right to the digital content based on the status of the dynamic condition. As such, claim 1 of the present invention, along with dependent claims 2-17, recites patentable subject matter under 35 U.S.C. § 101 and in view of recent CAFC orders in *State Street*, *In re Comiskey*, and *In re Nuijten*.

Claims 1, 6, 8-16, 18-20, 25, 27-35, 37, 39, 43 and 45-53 stand rejected under 35 U.S.C. § 102(b) as anticipated by Stefik et al. U.S. Patent No. 5,638,443 (“the Stefik patent”). Applicants respectfully request reconsideration of this rejection in view of the remarks below.

In the Final Office Action, the Examiner indicates that the Stefik patent teaches dynamically assigning rights based on dynamic conditions. However, the Stefik patent teaches that conditions can be part of a usage right and that the authorized use defined by the right can include conditions. For example, at col. 18, lines 9-26, the Stefik patent discloses that a right has a transactional component 1451 that corresponds to a manner of use, and a specifications component 1452 that corresponds to conditions. The usage rights disclosed in the Stefik patent, including a manner of use and conditions, for example, are assigned to content. See Fig. 1 step 102 and col. 6, lines 16-49. Conditions of the assigned rights can then be considered after assignment of the rights. In contrast, the claims in the present application recite that the usage rights are *assigned* based on dynamic conditions. The terms “assigned” and “assignment,” as used in the present specification, clearly refer to the association between the rights and the content. Prior to assignment, the rights are not associated with the content. See ¶¶ [0010 and 0029] of the present application, for example.

In ¶ 22 of the Final Office Action, the Examiner asserts that the Stefik patent assigns usage rights both prior to distribution and subsequently thereafter and cites the example of a COPY right. The Examiner asserts that since “this right is based on a dynamic condition, it must be assigned at the time of distribution (exercise of the right).” However, in the Stefik patent, the COPY right is assigned (transactional component 1451) and conditions are specified (specification component) that must be satisfied prior to the right being exercised. In contrast, the pending claims recite that the assignment of the right is based upon dynamic conditions, not the exercise of that right.

The Examiner also cites column 18, lines 50-56 and column 21, lines 32-22 of the Stefik patent to support the rejection. However, these portions of the Stefik patent relate to the use of conditions that are part of the usage right. In other words, the conditions are part of the specification of authorized use. The conditions in the Stefik patent noted by the Examiner are not used for assigning the rights to content but are part of the rights themselves.

In the claimed invention, the usage rights are dynamically assigned to content based on dynamic conditions occurring before, or at the time of association of the rights with content. This permits simple and efficient rights to be assigned to content while permitting the authorized use of the content to be determined based on the status of a dynamic condition

at the time of, or before, determination of the authorized use of the content. As such, the invention as recited in claims 1, 6, 8-16, 18-20, 25, 27-35, 37, 39, 43 and 45-53 is novel over the cited prior art. Applicants respectfully request reconsideration of the pending claims and the withdrawal of the rejection under 35 U.S.C. § 102(b).

Claims 3-5, 7, 22-24, 26, 40, 41, and 44 stand rejected under 35 U.S.C. § 103 as being obvious over the Stefik patent in view of secondary references. However, the secondary references fail to cure the deficiencies of the Stefik patent noted above in that none of the secondary references discloses or suggests usage rights that are dynamically assigned to content based on dynamic conditions. As such, Applicants respectfully request reconsideration of the pending claims and withdrawal of the rejection under 35 U.S.C. § 103.

Claims 17, 36, and 54 stand rejected under 35 U.S.C. § 103 (a) as being obvious over Stefik. In prior Office Actions, as well as in ¶ 17 of the Final Office Action, the Examiner asserts "... the prior art is elastic enough to encompass a user establishing a time period (column 18, lines 50-56) just prior to the actual distribution time" With respect, Applicants do not understand how this assertion relates to conditions for assigning usage rights or otherwise reads on the claimed features. In the Final Office Action, the Examiner provides no additional explanation regarding the assertion. This conclusion by the Examiner, even if correct, does not cure the deficiencies of the prior art noted above. Again, the prior art does not teach assigning rights to content based on conditions.

In view of the above remarks, Applicants respectfully request reconsideration of this application and withdrawal of the rejections of record. Applicants respectfully request that the Examiner allow the pending claims and pass the present application to issue. If any issue remains after considering this response, Applicants invite the Examiner to call the undersigned to work out any such issue by telephone.

Respectfully submitted,

NIXON PEABODY, LLP

/Joseph A. Parisi, Reg. No. 53,435/
Joseph A. Parisi, Reg. No. 53,435

NIXON PEABODY LLP
401 9th Street, N.W., Suite 900
Washington, DC 20004
Tel: 202-585-8000
Fax: 202-585-8080